GOVERNMENT OF INDIA
TEXTILES
LOK SABHA

UNSTARRED QUESTION NO:837
ANSWERED ON:23.11.2000
PREVIVAL OF TEXTILE MILLS AND POWERLOOMS WITH FOREIGN ASSISTANCE
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Will the Minister of TEXTILES be pleased to state:

(a) whether most of the powerlooms and the textile mills in the country are in dire straits and the State Governments are playing a role of observer in most of the cases;

(b) if so, the corrective measures taken to restore the condition of such Textile mills and powerlooms;

(c) whether the Government have received any reports from the State Governments regarding thesick units in the powerloom and textile sector;

(d) if so, the details thereof, State-wise;

(e) whether the Government have any plan to rehabilitate various textile mills and powerloom units in the country with financial and technological support from foreign countries and international agencies; and

(f) if so, the progress of such projects currently in progress and plan to be undertaken in near future and total funds allocated for carrying out such projects in India, State-wise?

Answer

MINISTER OF STATE FOR TEXTILES (SHRI V. DHANANJAY KUMAR)

(a) : The production and exports of textile items has been showing a positive growth during the last five years except for the year 1998-99. During the year 1998-99, the production of cotton yarn and cloth (cotton and blended) declined as compared to the previous year, due to a variety of reasons including recession in the domestic and international markets. The textile industry being very diverse, complex and widely dispersed industry, there may always be some units, at any given point of time, working unsatisfactorily.

(b) to (f): As reported by the Office of the Textile Commissioner, as on 31.08.2000 there were 1855 Cotton/Man-made Fibre Textile Mills (Non-SSI) in the country and out of which 377 mills were closed.In case of powerloom sector, there were 366028 units in the country, out of which 31903 were closed. The Government has taken several steps to enhance the viability and competitiveness of the textile industry, including technological upgradation, rehabilitation and access to capital. Some of the main ones are as follows:

i) Government has launched the Technology Mission on Cotton (TMC) to improve the productivity and quality of cotton, ensuring the availability of quality cotton to the textile mills.
ii) For modernisation of textile and jute industries, the Technology Upgradation Fund Scheme (TUFS) has been launched w.e.f. 1.4.99 for a period of 5 years.
iii) A chain of textile testing laboratories has been set up to help industry in assessing the quality of textiles.
iv) For import of capital goods, the Export Promotion of Capital Goods (EPCG) scheme has been simplified.
v) Import of cotton is also under OGL to help industry to import requisite quality of raw cotton.
vi) Efforts are on to rationalise fiscal duty structure in consultation with industry and other concerned organisations.
vii) Initiated measures for application of information technology in the textile trade and industry.
viii) The Powerloom specific schemes -Modernisation of Powerloom Service Centres (PSCs); Upgradation of PSC labs; Group Insurance Scheme for powerloom workers; setting up of Computer Aided Design Centres and enhancement of Powerloom Exporters Entitlement quoata from 10% to 15% are under operation.

ix) The Government of India has enacted the Sick Industrial Companies (Special Provisions) Act, 1985 and established the BIFR with a view to timely detection of sick & potentially sick companies and for the speedy determination of preventive ameliorative and remedial measures which need to be taken in respect of such companies . The rehabilitation schemes sanctioned by BIFR include various measures like restructuring the capital, induction of fresh funds by the promoters, merger with the other companies change of management, provision for working capital and term loans by banks and financial institutions.

x) Government has announced the new National Textile Policy - 2000. The main objectives of the new Policy are to facilitate the textile industry to attain and sustain a pre-eminent global standing in the manufacture and export of clothing; to equip the Industry to withstand pressures of import penetration and maintain a dominant presence in the domestic market; to liberalise controls and regulations so that the different segments of the textile industry are enabled to perform in a greater competitive environment.